

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	China	REPORT	
SUBJECT	1. Economic Conditions in Kwangtung 2. Customs Regulations for Fishing Vessels	DATE DISTR.	21 April 1954
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This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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(FOR KEY SEE REVERSE)

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1. [redacted] shops in Canton were allowed a maximum gross profit of 20 percent, out of which taxes, wages and overhead expenses had to be paid. When business was bad, the shop assistants had to work without pay; when business was good the staff received a share of the extra profits as a bonus.
2. The Canton authorities regarded as willful rumor any comments or forecasts uttered by the general public which ran contrary to official pronouncements. Any person found transmitting such rumors was held responsible for tracing the originator and for reporting him or her to the police. As a result people were wary of committing themselves to an opinion which might lead to their arrest.
3. Members of shop workers' unions in Canton were obliged to attend an average of two or three meetings a week. Subjects discussed at such meetings in the past included business policy and financial conditions in the shops; government regulations and movements; labor union regulations; and the problems of individual union members. A certain shop assistant, for example [redacted] was allowed a permit to leave China only after his application had been discussed and recommended by his fellow union members.
4. In villages in Kwangtung money obtained from such things as sale of farm produce; overseas remittances; and cooperative store interest had to be deposited in the People's Bank. Withdrawals were only permitted for purposes authorized by the authorities.
5. Farmers in Kwangtung were permitted to keep for their own consumption not more than three months stock of rice, calculated at 15 kilograms for an adult; 13 for a teen-age youth; and less for a child. Any quantity in excess of this amount had to be sold to the government authorities at an officially fixed price, which was considered to be about JMP 10,000 below the market price.

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(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

25 YEAR RE-REVIEW

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25X1

- 2 -

Most farmers found that at this price they could manage to exist only by stretching their three months allocation to last six months. Members of many farm families were going to Canton to earn money by becoming laborers or hawkers.¹

6. The shortage of edible oils was still acute in the villages, and oil was rationed at one catty per person per month. Because this ration was insufficient, pork fat was bought when available.
7. After the Chinese Communist takeover, silk farmers in Shunte (N 22-50, E 113-16) one of the largest silk producing centers in Kwangtung, had to cut their production of silk chiefly as a result of the loss of foreign markets. To counteract this, the authorities persuaded silk farmers to breed a species of silk worm which produced pure white silk, as opposed to the indigenous worms which produced silk of a yellowish color. Since 1953 silk farmers have followed government directions and actually obtained a crop of white silk. They found, however, that the buying price of such white silk was 30 percent below that of the yellow variety. To avoid a loss, they dyed the white silk to an appropriate yellow tint and sold it to cooperative stores at a price of JMP 6,000,000 per 50 kilograms.
8. Shihch'iao, 12 miles southeast of Canton,² had a population of just under 100,000 prior to 1953. This figure was increased during 1953 by the migration of some 5,000 ~~dispossessed~~ farmers from districts near Foshan (N 23-02, E 113-08), who allegedly had been evacuated from their land to make room for the construction of an airfield.³ These farmers were each given 1.2 mou of land in Shihch'iao.

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Comments

1.

2. This is probably the Shihch'iao at N 22-56, E 113-22.

3.

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seven villages were destroyed to provide land for the construction.

4. Also known as Kungpei (N 22-12, E 113-32).

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